STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
JULY 2007

Date: September 7, 2007

To: All Civil Service/Exempt Departments

From: State Controller's Office
Cynthia Rounds, Manager
Ann Mitchell, Manager
Personnel/Payroll Operations
(916) 324-6290/322-7978

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the July 12, 2007 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the September 13, 2007 meeting.

We would like to thank those department representatives that participated in the July meeting for their time and effort. There were 32 representatives from 24 departments that participated in this meeting.

Personnel/Payroll Review Committee
July, 2007 Meeting Notes

Cynthia Rounds called the meeting to order at 1:30.

Departments Represented:

Aging, Air Resources Board, California Horse Racing Board, Child Support Services, Community Services & Development, Conservation, Corrections, Developmental Services, Emergency Services, Employment Development Department, Environmental Health Hazard Assessment, Financial Institutions, Food and Agriculture, Forestry and Fire Protection, Franchise Tax Board, General Services, Industrial Relations, Mental Health, Motor Vehicles, State Controller's Office, Toxic Substances Control, Transportation, Unemployment Insurance Appeals Board, Water Resources.

Old Business:

In the May 2007 PPRC meeting notes we addressed the following: Can a designee present a deceased person's warrant to the State Treasurer's Office to cash? The original response was 'Yes', this is a viable option for those who live in or near Sacramento. The corrected response is 'No', the State Treasurer's Office does not offer this service.

New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes

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Guest Speakers
SCO Update
Department Issues/Concerns
Confirm Next Meeting Agenda, Time and Place

Discussion:

Approved May 2007 meeting notes.

Guest Speaker: There were no guest speakers as Dave Edwards and Pat Quinn were both called away shortly before the meeting

The first item I would like to discuss is statutory employees. Because the budget has not been signed at this point they will not be paid. However, once is has been signed their payroll will be released in a timely manner.

Also, if the budget is not signed before the July master payroll cycle payroll will issue with current salary rates and the GSI adjustments will issue after the budget is signed.

Effective July 1, 2007 there will be an increase in the state share for retirement and until the budget is signed we won't know exactly what the increase will be. If the budget is signed in time it will be deducted from master payroll. This increase will not affect the net of the employee's pay. If the budget is not signed in time, next month you will see an adjustment to retirement for the state share amount on the earnings statement.

Question: The 3.4% GSI announced in March, is that what it's going to be?

Answer: Yes, 3.4% is the increase. Nothing official has been signed or sent and again we won't know for sure until after the budget is signed.

Question: Will the employee's share for retirement go down?

Answer: No, the employee's share will not change but the state share will go up. The state share for retirement hasn't changed for several years. We don't know what the change will be until the budget is signed.

I have just a few issues to cover one of them is faxed documents. Key Entry staff are having difficulty reading the faxed documents. When you send over a document please make sure you start out with a good copy on your end. If you have to reduce the size before you send it please make sure you can read it. If it's not clear on your end once it goes through the fax process it's worse on our end. Many of your faxed documents go directly over to key entry where the data is keyed directly from them so if it's illegible it takes additional time and effort to read.

Last month there was a problem with green cycles; in the month of June there were only two green cycles after master. Departments fax their disability 'currents' to us at the end of each month for processing. Some departments wait until the green cycles to fax documents over to us rather than sending them earlier in the month. In this instance we were inundated with a huge volume of documents and were not able to process them all. Normally if we have three cycles we can get them all done. As a reminder, if you know what the pay is going to be, even before master payroll the 'currents' for disability, can be faxed prior to master. Once they are received we get them ready for processing and are able to begin keying them the day after master allowing us to get a head start on the processing.

Fax was never intended to replace the normal mail process. Please, if you have adjustments to payroll, do not fax them. Adjustments should always go through the mail; they are not considered a priority.

Please rely on the printout from your fax machine to verify if the document you sent was transmitted properly or not. Often after a document is faxed the person sending it will call us to see if we received it. Please do not call us to verify this. What happens is if we didn't answer or didn't get to the call right away we often receive a second and third call filling up our voice mail system. This also leads to the same document being faxed again and again. Last month in the NDI unit alone there were 41 documents that were faxed to us three times (not two). These caused 41 duplicate payments that had to be re-deposited and then reissued correctly after July 1st when we had a payroll cycle. Then the third fax of the same documents generated a third payment in the last green cycle. NDI payments will just keep issuing and not reject. Please do not fax duplicate copies unless we call you and ask you to fax us another copy.

Phone calls: We have been receiving a record number of employee phone calls. We know the employees can get our numbers from just about any where so please just encourage them to not call the SCO payroll or personnel liaison units. Since we can't help them, it just frustrates them even more when we direct them back to their own personnel offices.

When sending in documents please include your extension if you have one when you complete your telephone number. If we have to contact you about a document it saves time to have the complete information we need to reach you.

Position control: Fiscal year end has just ended, Schedule 8 has been run, 7A has been run and everything balanced. The Schedule 8's are being packaged and will go out early next week. The vacant position reports were mailed out last week. It is also available on view direct.

The vacant position report put on view direct the 29th of June was incorrect, if anyone downloaded that version please disregard it and download the current version. A change was made to our system during the year that we were not aware affected our fiscal year end reports. We corrected the problem and the correct version is now available on View Direct.

You can start the self-certification process for all positions on the vacant report that you can add back per Government Code 12439. Remember all vacant positions are added back with 7/1/07 as the effective date and a Z in front of the document number. The Z identifies that the position was added back from the vacant report.

Question: If we have technical errors, is it best to call or email?

Answer: You can either email lmiller@sco.ca.gov or you can call and leave a message on the recorder. If you decide to email, you can not include confidential information such as SSN for back up regarding payments that have issued. If you have to use an SSN just give the last four numbers and the name. Laura has been working on a special project this week so she has not been answering her phone, I am taking her calls and she will be doing her normal duties again on Monday.

Question: We have two positions sitting on the abolished position report and we know we filled those positions; can you help me figure out when to start counting the six months? The position became vacant on October 15.

Answer: It doesn't matter what the date is in October. Even if one hour got paid in the pay period that position isn't considered vacant. So in this case we'll start counting November 1st and April 30 would conclude the sixth month.

I have had several phone calls regarding a change to the vacant process from 6 months vacant to one year vacant. Senate Bill SB86 effective July 1, 2007 was to change the six month vacancy to twelve consecutive months for three years (June 30, 2010). Assembly Bill AB199 reversed that language so we will retain the six consecutive months of vacancy per the Government Code 12439.

Question: If you had November, December, January, February, March and April; May 1st the position should be lost, right?

Answer: Yes, we won't take it away from you until June 30th but on June 30th even if you put someone in the position on May 1st you're still going to lose that position come June 30th because it had six consecutive months of vacancy this year.

Question: What if we just put the money in there in April?

Answer: If there was pay issuing in April you're fine but if pay didn't issue for April until after June 30th and you did something retroactively then it's still going to be on the vacant position report and we'll have to save the position for you but you'll have to contact us to do that.

Question: We have a program to send that picks them up then they wait for the very last day of the sixth month. We're thinking why did we have to do that if we thought pay came out? I'll have to check it again but I think that's what happened.

Answer: You need to verify the pay is actually coming out of the established position prior to June 30th, if an employee was moved from another position into the position in question the transfer of funds must be processed as well to save it. If the pay is not sitting in the proper position by June 30th the position will be lost and you may need to request it be added back after the pay is in the proper position.

Question: When someone retires and there's lump sum what determines where the money is issued? Say there's three months of lump sum and it's all paid in June, it goes by issue date, right?

Answer: It goes by issue date. Lump sum paid in a prior fiscal year but extending into the next fiscal year will not save the position automatically as the funds are paid from the prior year. The department will need to request the position be manually saved. This should be done prior to June 30th so the position is not lost. If this situation is not identified until after June 30th and the position is lost the department may request SCO add the position back due to a technical error citing Prior Year Lump Sum. The department is certifying the validity of adding the position back.

Question: What if we put them in a blanket position?

Answer: Then they'll get paid out of the blanket, not the established position; therefore, the position won't be saved.

Question: If the budget is not signed, and we have quite a few people that are sitting in positions that are going to expire, we don't actually have to move them to a blanket, they'll still be paid and it's just going kick out on my periodic report as errors, correct?

Answer: Right, they'll still get paid. Years ago they didn't get paid, with FLSA laws we have to pay people so the pay issues and you get an error message on the Periodic Position Control Report.

If you have established any payroll headers late in the fiscal year and didn't do a brand new 407 for the new fiscal year you need be aware that your payroll will suspend. Right after master payroll each fiscal year we go in and manually check all suspended payments, anything that has suspended for 'U' – no reporting unit – we contact the departments right away to get headers in here and get them processed in the green cycle so payroll will release. But if you know ahead of time that you might have some headers you set up late and maybe didn't do one for the new fiscal year you need to check with us. No matter when you set a payroll header up it's only good until June 30th of that year. Even if you set it up June 1st it's only going to be good until June 30th.

That's all the items I have to cover.

Question: Is there any way we can reduce the number of A/R's our new firefighters get for benefits?

Answer: Health benefit A/R's established from the retro health program are based on an amount that was equal to the most expensive health premium several years ago. Until recently, we have not had a need to change this threshold, but with health vesting, we should now consider raising the threshold. The question is, how high should we raise this threshold? Would $300 be sufficient to cut the number of A/R's and allow that most retroactive premium adjustments apply to a future master payment? We don't have an efficient way of making this determination so we look to you for this information. It is understood that many of the firefighters hired are new to state service and may constitute a large volume of the A/R's we are currently establishing. It is also important to remember that with health vesting the employee will owe more money in these retroactive situations than before health vesting was an issue. But it must also be remembered that the retroactive deductions are to catch the employee up to a current status with the premiums. We are taking no more in total than we would have taken had the deductions applied effective with the first payment. The employees should be informed that if their deductions do not come out with that first pay, they should be prepared to see some retroactive type of activity to bring them to a current status.

Question: What is that amount currently?

Answer: The amount is currently $159 or less to apply as a one time deduction rather than set up an A/R.

We think Forestry has the biggest problem at this time of year because of all the firefighters being hired. Even if everything is keyed to ACES by the 15th of the month, it will still be too late for deductions to apply to the current month master.

This may be a benefits cutoff issue. Please refer to the Benefit Cutoff calendar on our website. If you hire anyone after the 10th of the month regardless if you get the health keyed to ACES it's still not going to apply to that month's Master.

Is there any reason the date can't be moved to a later date? Why the 10th?

Benefits cut off is the 10th of the month to allow us time to work all the documents coming to our office by master cut off and to allow the time necessary to run other automated benefits related programs that must run prior to master cut off. We can not move this to a later date. However, when time allows, we do try to process documents received after the 10th of the month, but before master cut off.

Question: When we submit our benefits to SCO and we miss the cutoff date do you send us 'ding' notices telling us you've changed the effective dates? It's starting to present a problem. Unless the employee calls and complains we don't know there's a problem. For instance, in March we had an employee sign up for medical reimbursement and submitted the form to Controller's on April 5. It didn't work for the 5/1 effective date but it was for 6/1. Our staff was unaware until the employee called saying they had talked to a third party administrator. They were told they couldn't submit any claims for May 2007 because their medical reimbursement account wasn't effective until 6/1 and yet we filled out the original document with copies signed indicating 5/1. In the past we would get a notice saying the effective date has been moved and we're not getting those any more. Why? And could we get those again?

Answer: No, we do not send a PR250 if your documents don't reach us by the 10th of the month. With the volume of work coming in to our office, there is no way we can take our limited available staff time to complete and send these notices.

Question: At the last PPRC meeting Pam talked about a designee receiving a warrant for a deceased employee that might not be honored by financial institutions. Our fiscal department wants to know if the beneficiary of one of our employees were to encounter that situation, could they return to warrant to our department, deposit it into our own account and then we would issue the money to them from our revolving fund. Would that be a problem or would that impact the SCO form that we complete for the death benefit for release?

Answer: I'm not sure but I believe you should talk to your own legal about that. If we've issued the check appropriately it would be up to your legal whether or not you can issue it in the beneficiary's name.

Question: We know that, once approved by SPB, college graduates are going to be able to be picked up at range C of Staff Services Analyst (SSA) classification. The question is; we already have SSAs in ranges A and B who are college graduates, will the alternate range criteria be sufficient for those people to transfer into range C?

Answer: Per SBP yes. We understand there is a letter coming out soon that will have additional details.

Question: If someone is in range A and we key changes to EH to put them in range C, will this create an error message?

Answer: No, as long as the alternate range criteria have been followed, the system won't prevent it.

Can anyone think of a guest speaker they would like to come?

We would like someone from SPB to come and talk about transfers with the same level of duties.

We also would like someone from DPA regarding military leave for an overview or maybe any changes coming up.

We will contact DPA on military and SPB and invite them to our November 2007 meeting.

Next Meeting:

The next meeting is Thursday September 13, 2007 from 1:30 to 3:00 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address; please contact Cynthia Rounds or Ann Mitchell with pertinent information.

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Listed below are the PPRC meeting dates for the 2007 calendar year. All meetings are from 1:30 to 3:00 at the above location.

November 8, 2007

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Cynthia Rounds at (916) 324-6290 or Ann Mitchell 322-7978. They can also be reached via email at crounds@sco.ca.gov and amitchell@sco.ca.gov, respectively.